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"The Economics of Social Disaster: A Greek Tragedy"

Abstract. The economic catastrophe unfolding in Greece—the biggest decline of the gross national product and the highest rate of unemployment of any country in recent history—speaks volumes about the damage that the neoliberal-oriented policymakers of the International Monetary Fund and the European Union can deliver to societies via the domestic political establishment. The Greek economic crisis is partly the story of a kleptocratic state and a parasitic capitalist elite who got caught in the web of the eurozone's flawed design when the global financial crisis of 2008 hit Europe's shores. It is also the story of an economy that did not meet the prerequisites for entering an alleged optimum-currency area, nor did it make much attempt to fit in properly. But it is also the story of the general failure of the global neoliberal project, the financialization of the economy, and free-market orthodoxy. The response to the Greek crisis by its international lenders has been based on a set of failed economic doctrines, as the source of their inspiration is not social reality itself or the general well-being of nations and their citizens, but rather ideological and political factions in the pursuit of narrowly defined economic interests. Thus, a public debt crisis has been used as an opportunity to dismantle the social state, to sell off profitable public enterprises and state assets at bargain prices, and to deprive labor of even its most basic rights.